

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE  
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**EMBARGOED UNTIL 4:00 AM**  
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**AMBASSADOR BARSHEFSKY ANNOUNCES CONCLUSION OF  
APEC TELECOMMUNICATIONS EQUIPMENT MUTUAL RECOGNITION  
ARRANGEMENT**

United States Trade Representative Charlene Barshefsky today welcomed the conclusion of a Mutual Recognition Arrangement (MRA) for telecommunications equipment among members of APEC.

“The APEC Telecom MRA will boost trade in telecommunications and information equipment goods among members of APEC, affecting roughly \$45 billion in current trade flows, or one-third of the global market. It will accelerate the completion of technical testing (MRA phase one) and certification (MRA phase two) procedures and accelerate necessary regulatory actions and cut redundant testing of these high technology goods,” stated Ambassador Barshefsky.

“The MRA will allow U.S. telecommunications equipment makers to take greater advantage of new technology and the ever-shortening product life cycles of high tech equipment,” said Ambassador Barshefsky. The MRA builds on the gains realized by the Information Technology Agreement in expanding opportunities for America’s high tech industries and their highly-skilled workers, while lowering the cost of imported components for the United States’ own National Information Infrastructure.”

The APEC Telecommunications Equipment Mutual Recognition Arrangement, like the telecommunications equipment chapter of the multi-sectoral U.S.-E.U. MRA signed on May 18, is intended to streamline the conformity assessment procedures for a wide range of telecommunications and telecommunications-related equipment and thereby facilitate trade among

the participating Parties. An MRA does not require harmonization of mandatory technical requirements.

The MRA is part of the “early voluntary sectoral liberalization” initiative launched by APEC Leaders last November in Vancouver. It is one of 15 sectors selected for a program of liberalization, and one of the 9 of these targeted for early action in the first half of 1998. APEC Trade Ministers will meet in Kuching, Malaysia on June 22-23 on the remaining 8 sectors (environmental goods and services, medical equipment and instruments, chemicals, energy sector, forest products, fish, toys, and gems and jewelry).

Ambassador Barshefsky further stated, “The APEC Telecom MRA is the first multilateral MRA on telecom equipment. The completion of the work on the Telecom MRA is an encouraging indication that the early voluntary sectoral liberalization initiative begun last year is producing concrete results. I look forward to matching the progress made on the MRA with progress in the other sectors at Kuching.”

## **Background**

The conclusion of the arrangement came at a gathering of APEC Ministers for Telecommunications and Information on June 5 in Singapore. The ministers released a declaration endorsing the MRA and specifying dates for sixteen of the eighteen APEC economies which have immediate plans for bringing the MRA’s provisions into effect. Chile and New Zealand indicated that participation is unnecessary for their economies due to the relative simplicity of their regulatory regimes for telecommunications equipment.

The APEC Telecommunications Equipment MRA provides a mechanism whereby the exporting party may designate Conformity Assessment Bodies to test and/or certify telecommunication equipment to the mandatory telecommunication requirements of the importing party. Testing and certification are expensive procedures for exporters, importers and regulators, with costs that flow on to users. All stakeholders benefit from simplified procedures that can reduce these costs. At the same time, regulators need to have confidence in the quality of testing that provides the basis for certification of equipment. As technology advances, the need for specialized knowledge and equipment increases. The MRA gives regulators in importing economies a framework for confidence in the integrity of testing and certification of equipment undertaken in other economies. It also provides remedies where any deficiencies are discovered.

The key elements of the Arrangement include:

- (1) its scope, which includes all equipment subject to telecommunication regulations, including wireline and wireless, terrestrial and satellite equipment;
- (2) detailed procedures for designating, recognizing and monitoring conformity assessment bodies;
- (3) a requirement for the acceptance of the results of conformity assessment procedures

performed by these conformity assessment bodies;

(4) a transition period for training and confidence building;

(5) a Joint Committee to facilitate the implementation and running of the Arrangement; and,

(6) due process requirements for protection of all parties to the Arrangement.

While APEC Ministers endorsed the conclusion of the MRA text, this does not, in and of itself, create legally binding international obligations. It is up to each economy to decide how it will use the MRA. The intention of the United States is to rely upon exchanges of letters to bring the MRA into force as a trade agreement with interested APEC trade partners.

The Federal Communications Commission (FCC), by a 5-0 vote on May 14, adopted a notice of proposed rulemaking (NPRM) which is the first step towards U.S. implementation of the APEC Telecom MRA, as well as the telecom chapter of the multi-sectoral U.S.-E.U. MRA. The FCC proposal (NPRM in ET Docket 98-68) is available for review at "[www.fcc.gov/oet/dockets/](http://www.fcc.gov/oet/dockets/)".

The FCC proposal suggests that USTR take responsibility for investigating and enforcing trade partners' good faith compliance with the terms of the MRA.

The APEC Telecom MRA is consistent with WTO rules that inhibit the use of standards and mandatory regulations as technical barriers to trade. The WTO Agreement on Technical Barriers to Trade recognizes that members may enter into Mutual Recognition Agreements that give mutual satisfaction regarding their potential for facilitating trade in the products concerned, as one means of facilitating trade.

**Annex to the Telecommunications Ministerial Declaration**  
**Indicative Schedule for Early Voluntary Sectoral Liberalization in the Mutual Recognition**  
**Arrangement on Conformity Assessment for Telecommunications Equipment**

	<i>Mutual Recognition of Test Reports (Phase I)</i>	<i>Mutual Recognition of Equipment Certifications (Phase II)</i>
<i>Australia</i>	Australia already accepts test reports from other parties	Suppliers' declarations are accepted now. Australia does not require certification.
<i>Brunei Darussalam</i>	2003	2003
<i>Canada</i>	End of 1998	End of 1999
<i>China</i>	2002 for network terminals	To be advised.
<i>Hong Kong, China</i>	Already in effect	Two-three month process required.
<i>Indonesia</i>	2005	To be advised
<i>Japan</i>	July 1999	July 1999 (targeted, but could be 2000)
<i>Korea</i>	July 1999	To be advised.
<i>Malaysia</i>	2003	2003
<i>Mexico</i>	June 2001	to be advised
<i>New Zealand*</i>	see footnote	see footnote
<i>Papua New Guinea</i>	December 2001	To be advised
<i>Philippines</i>	2005	2006
<i>Singapore</i>	July 1999	End of 1999
<i>Chinese Taipei</i>	Already in effect	2000 (targeted, but could be 2001)
<i>Thailand</i>	2004	2006
<i>United States</i>	FCC currently accepts test data from other parties.	July 1999

\* The responsibility for setting the standards for attachment to telecommunications networks in New Zealand rests with network operators, not the Government - except in as far as electrical safety and electro-magnetic compatibility are concerned. Recognizing its potential to contribute towards removal of NTMs in the APEC region, New Zealand proposes to endorse the MRA."